

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT:	<u>Range Resources-Pine Mountain, Inc.</u>	)	VIRGINIA GAS
		)	AND OIL BOARD
		)	
RELIEF SOUGHT	<b>EXCEPTION TO STATEWIDE SPACING</b>	)	
	LIMITATIONS PRESCRIBED BY	)	DOCKET NO.
	VA. CODE § 45.1-361.17 (a) (2)	)	<u>VGOB-08-0819-2321</u>
	FOR <u>WELL NO. V-537747</u>	)	
		)	
		)	
		)	
		)	
LEGAL DESCRIPTION:		)	
		)	
	DRILLING UNIT SERVED BY WELL	)	
	NUMBERED <u>V-537747</u>	)	
	TO BE DRILLED IN THE LOCATION	)	
	DEPICTED ON <b>EXHIBIT A</b> HERETO,	)	
	<u>L.D.R. Owens T-324 Tract</u>	)	
	<u>160.00 Acres, more or less</u>	)	
	<u>DUTY QUADRANGLE</u>	)	
	<u>ERVINTON DISTRICT</u>	)	
	<u>DICKENSON COUNTY, VIRGINIA</u>	)	
	(the "Subject Lands" are more particularly described	)	
	on <b>Exhibit "A"</b> , attached hereto and made a part	)	
	hereof)	)	

REPORT OF THE BOARD

FINDINGS AND ORDER

1. Hearing Date and Place: This matter came on for hearing before the Virginia Gas and Oil Board (hereafter "Board") at **9:00 a.m.** on **August 19, 2008**, Southwest Virginia Higher Education Center, Campus of Virginia Highlands Community College, Abingdon, Virginia and was continued until **9:00 a.m.** on **September 16, 2008** and final continuance at **9:00 a.m.** on **October 21, 2008**.
2. Appearances: **Timothy E. Scott of McKinnis & Scott**, appeared for the Applicant.
3. Jurisdiction and Notice: Pursuant to Va. Code §§ 45.1-361.1 *et seq.*, the Board finds that it has jurisdiction over the subject matter. Based upon the evidence presented by Applicant, the Board also finds that the Applicant has (1) exercised due diligence in conducting a meaningful search of reasonably available sources to determine the identity and whereabouts of each gas and oil owner, coal owner, or mineral owner having an interest in Subject Drilling Unit underlying and comprised of Subject Lands; and (2) represented to the Board that it has given notice to those parties (hereafter sometimes "person(s)" whether referring to individuals, corporations, partnerships associations, companies, businesses, trusts, joint ventures or other legal entities) entitled by Va. Code

§ 45.1-361.19 to notice of this application. Further, the Board has caused notice of this hearing to be published as required by Va. Code § 45.1-361.19.B. Whereupon, the Board hereby finds that the notices given herein satisfy all statutory requirements, Board rule requirements and the minimum standards of state due process.

4. Relief Requested: Applicant requests an exception to the statewide spacing limitations set forth in Va. Code § 45.1-361.17 for Well No. V-537747.
5. Relief Granted: The requested relief in this cause shall be and hereby is granted. The Board hereby grants Applicant consent to permit and drill proposed Well No. V-537747, 2,003.39 feet from existing Range Resources-Pine Mountain, Inc. Well No. V-535656; and 2,349.32 feet from existing Range Resources-Pine Mountain, Inc. Well No. V-536766, at the location depicted on the Plat attached hereto as **Exhibit A**.
6. Special Findings: The Board specifically and specially finds:
  - 6.1 Applicant is Range Resources-Pine Mountain, Inc. Applicant is duly authorized and qualified to transact business in the Commonwealth of Virginia;
  - 6.2 Applicant Range Resources-Pine Mountain, Inc. is an operator in the Commonwealth of Virginia and has satisfied the Board's requirements for operations in Virginia;
  - 6.3 Applicant claims ownership of Conventional Gas Leases of Subject Drilling Unit and the right to explore for, develop and produce Gas from Well No. V-537747, as well as the right to participate and develop the reciprocal wells, being Well No. V-535656 and Well No. V-536766.
  - 6.4 The proposed Well No. V-537747 is located on the L.D.R. Owens, 160.00-Acre Tract T-324 and the surface, coal, gas and oil owners have consented to the proposed location for Well No. V-537747 that is depicted on the Plat attached hereto as **Exhibit A**;
  - 6.5 The Applicant testified it has the right to operate and participate in the development of the reciprocal wells V-535656, and V-536766, and that the granting of the application filed herein will not impact the correlative rights of any person;
  - 6.6 An exception to the well spacing requirements of Va. Code § 45.1-361.17 for Well No. V-537747 is necessary to efficiently drain a portion of the common sources of supply (reservoir) underlying Subject Drilling Unit, and the Board's granting of the requested location exception is in the best interest of preventing the waste of 400 million cubic feet of Conventional Gas underlying the Subject Drilling Unit, and to generally effect the purposes of the Virginia and Oil Act;
  - 6.7 Applicant proposes the drilling of Well No. V-537747 to a depth of 6,407 feet on the Subject Drilling Unit at the location depicted on Exhibit A to produce all the Mississippian and Devonian Age formations including, but not limited to, Ravenclyff, Maxon, Big Lime, Weir, Berea and Devonian Shale, from surface to total depth drilled, 6,407 feet ("Subject Formations");
  - 6.8 Applicant proposes to drill Well No. V-537747 a distance of 496.61 feet closer to existing Range Resources-Pine Mountain Inc. Well No. V-535656; and a distance of 150.68 feet closer to existing Equitable Gas Well V-536766.



- 6.9 Applicant proposes to complete and operate Well No. V-537747 for the purpose of producing Conventional Gas;
7. Conclusion: Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and **IT IS SO ORDERED.**
8. Appeals: Appeals of this Order are governed by the provisions of Va. Code Ann. § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court. Such appeals must be taken in the manner prescribed in the Administrative Process Act, Va. Code Ann. § 9-6.14:1 *et seq.* and Rule 2A of the Rules of the Virginia Supreme Court.
9. Effective Date: This Order shall be effective as of the date of the Board's approval of this Application, which is set forth at Paragraph 1 above.

D

DONE AND EXECUTED this 8 day of April, 2010, by a majority of the Virginia Gas and Oil Board.

Bradley C. Lambert  
Chairman, Bradley C. Lambert

DONE AND PERFORMED this 8 day of April, 2010, by Order of the Board.

David E. Asbury, Jr.  
David E. Asbury, Jr.  
Principal Executive to the Staff  
Virginia Gas and Oil Board

STATE OF VIRGINIA  
COUNTY OF RUSSELL

Acknowledged on this 8<sup>th</sup> day of April, 2010, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley C. Lambert, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, and appeared David E. Asbury, Jr., being duly sworn did depose and say that he is Acting Principal Executive to the Staff of the Virginia Gas and Oil Board that they executed the same and were authorized to do so.

Diane J. Davis  
Notary Public

Registration No. 174394

My commission expires 09/30/2013



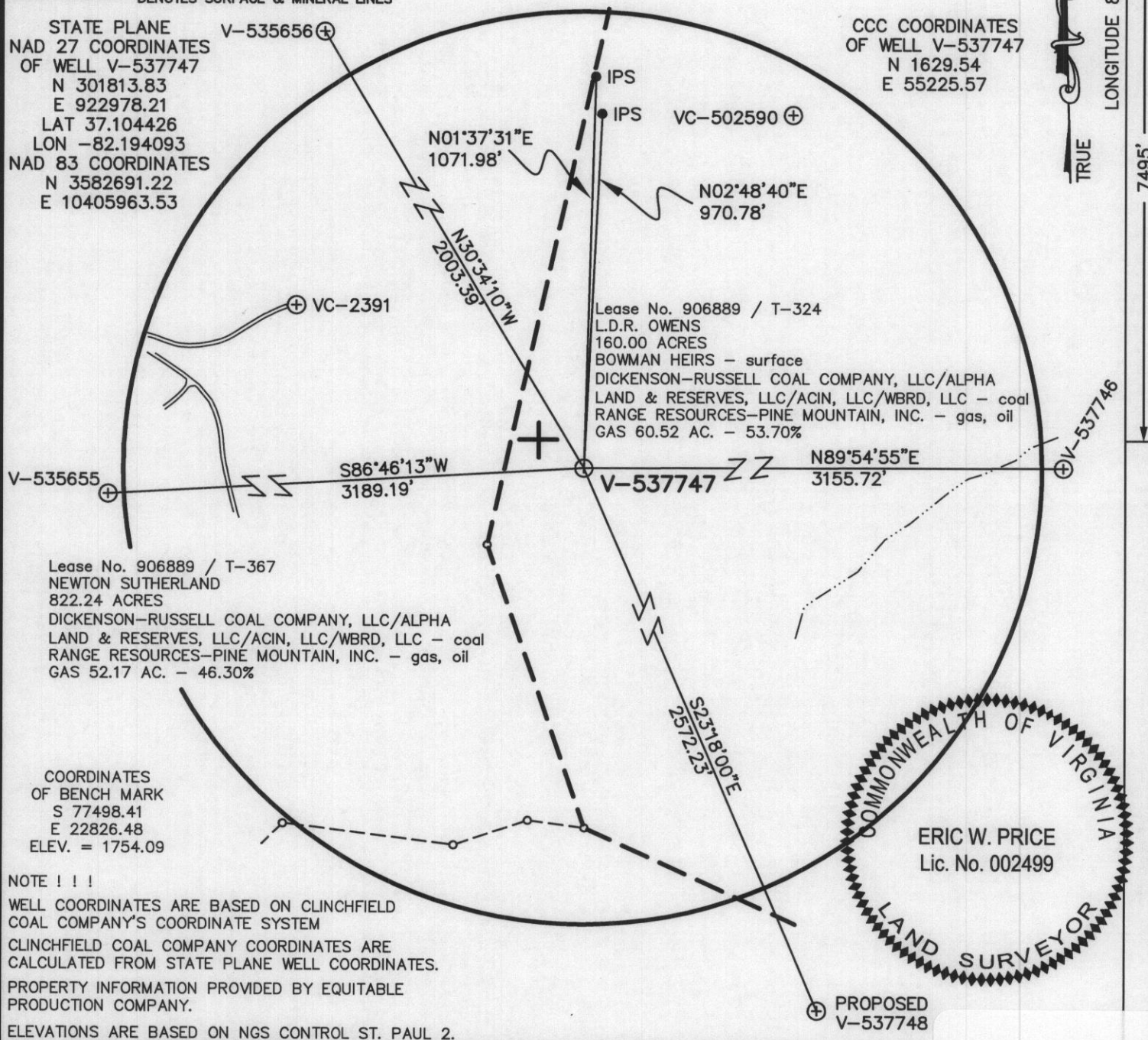


TOTAL UNIT AREA  
= 112.69 ACRES

— DENOTES MINERAL LINE  
- - - DENOTES SURFACE LINE  
- - - DENOTES SURFACE & MINERAL LINES

STATE PLANE  
NAD 27 COORDINATES  
OF WELL V-537747  
N 301813.83  
E 922978.21  
LAT 37.104426  
LON -82.194093  
NAD 83 COORDINATES  
N 3582691.22  
E 10405963.53

CCC COORDINATES  
OF WELL V-537747  
N 1629.54  
E 55225.57



NOTE !!!

WELL COORDINATES ARE BASED ON CLINCHFIELD  
COAL COMPANY'S COORDINATE SYSTEM  
CLINCHFIELD COAL COMPANY COORDINATES ARE  
CALCULATED FROM STATE PLANE WELL COORDINATES.  
PROPERTY INFORMATION PROVIDED BY EQUITABLE  
PRODUCTION COMPANY.

ELEVATIONS ARE BASED ON NGS CONTROL ST. PAUL 2.

PROPOSED  
V-537748

Exhibit A

### WELL LOCATION PLAT

COMPANY Range Resources-Pine Mountain, Inc. WELL NAME AND NUMBER V-537747

TRACT No. LEASE NO. 906889/T-324 ELEVATION 2113.52 (GPS) QUADRANGLE DUTY

COUNTY DICKENSON DISTRICT ERVINTON SCALE: 1" = 400' DATE JULY 11, 2008

THIS PLAT IS A NEW PLAT x; AN UPDATED PLAT    ; OR A FINAL LOCATION PLAT    

PROPOSED TOTAL DEPTH OF WELL =           

+ DENOTES THE LOCATION OF A WELL ON UNITED STATES TOPOGRAPHIC MAPS, SCALE 1 TO  
24,000, LATITUDE AND LONGITUDE LINES BEING REPRESENTED BY BORDER LINES AS SHOWN.

T&L

LICENSED PROFESSIONAL ENGINEER OR LICENSED LAND SURVEYOR

(AFFIX SEAL)

EXHIBIT B  
RANGE RESOURCES-PINE MOUNTAIN, INC.  
WELL NO. V-537747

**Tracts 1, and 2**

Mr. Larry Cline  
Alpha Land and Reserves, LLC  
One Alpha Place  
Abingdon, Virginia 24210

Mr. John Mooney  
Vice President & Regional Manager  
ACIN LLC  
P. O. Box 2827  
Huntington, West Virginia 25727

Mr. John Mooney  
WBRD, LLC  
P. O. Box 2827  
Huntington, West Virginia 25727

Mr. Steve Smith  
Chief Engineer  
Dickenson-Russell Coal Company, LLC  
and  
Maxxim Shared Services, LLC  
5703 Crutchfield Drive  
Norton, Virginia 24273

Equitable Production Company  
Cloverleaf Square Building B  
Big Stone Gap, Virginia 24219  
George B. Heflin, Director of Affairs